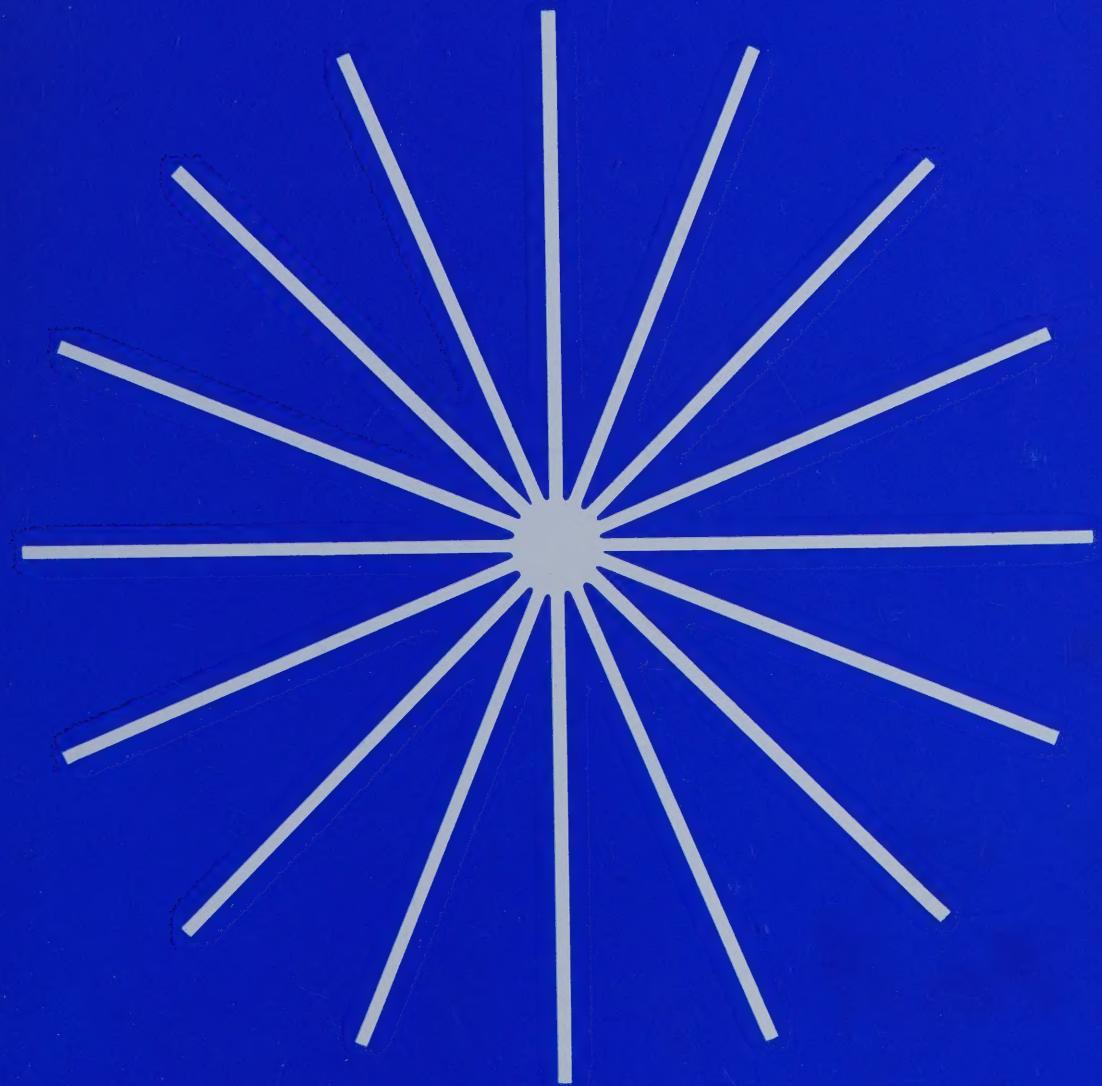


AR41

Dominion Citrus & Drugs Ltd.

1972
ANNUAL
REPORT



Jack Austin Drugs Limited outlets are located in the Woolco Department Stores. Pictured below is one of the many new Woolco Stores designed to make shopping a pleasure. Surrounding each location are wide parking areas capable of accommodating upwards of 1000 cars.



COSMETICS

REVLON

THE FINEST IN EYE COSMETICS

REVLON

WORLD FAMOUS LIPSTICKS



Directors

Jack Austin
Ben Blidner
Michael Blidner
Maurice Cohen
George Cohon
Harold Hertzman
Harry Izen
Louis Kirshenblatt
Jack M. Roth
Harold Soupcoff
Louis E. Soupcoff

Officers

President Michael Blidner
Vice-President Jack Austin
Vice-President Harold Soupcoff
Secretary-Treasurer Louis E. Soupcoff

Transfer Agent and Registrar

Guaranty Trust Company of Canada
Toronto, Ontario

Auditors

Starkman, Kraft, Rothman, Berger & Grill
Toronto, Ontario

Bankers

Canadian Imperial Bank of Commerce
Toronto, Ontario

Toronto-Dominion Bank
Toronto, Ontario

Head Office

Ontario Food Terminal
The Queensway
Toronto, Ontario M8Y 1H8

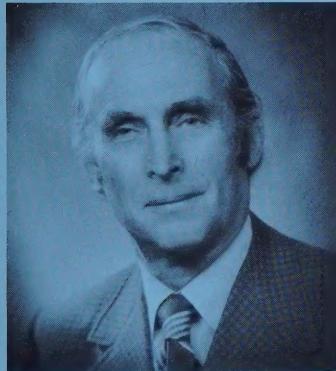
Listed

The Toronto Stock Exchange

PREScriptions



Dear shareholder



We are gratified to present this report of your Company's progress during 1972. Sales increased to \$37,910,035 from \$30,230,100, an increase of 25.4%, and after tax earnings increased to \$692,024 from \$609,093, an increase of 13.6%. Earnings per share increased to 79.6¢ from 70.9¢ in 1971. Working Capital increased during the period to \$2,582,238 from \$2,094,624.

The Company's year-end for 1973 has been changed from December to January. As a result we have reported to you its operations for the month of January 1973 in addition to its operations for the twelve month period ended December 31, 1972. This was done in order for your Company to have the same year-end as Woolco and Woolworth Department Stores in which your Drug Division operates.

The Produce Division increased its sales to \$16,114,308 from \$13,921,907 for the preceding year despite crop failures and bad weather in the growing areas. Imagination and know-how made it possible for us to augment our supplies by offering for sale fruits and vegetables from many countries such as South America, France, Italy, Spain, Israel, Hawaii, New Zealand, Australia, and Mexico.

The Drug Division now has 57 outlets in Woolco and Woolworth Department Stores.

We expect to have approximately 65 outlets in operation by the end of 1973. However, this figure could be exceeded this year, depending upon how soon the construction of the new stores is completed.

Sales in the Drug Division increased to \$21,795,727 from \$16,308,193. Opening expenses for all stores have been written off entirely. The same accounting procedure will be followed for all future stores that are opened. While this practice tends to reduce the immediate earnings picture, our objective is to maximize the value of our shareholders' investment over the long term.

Two tax-free dividends of 10¢ per share each, have been declared once again this year. The first dividend is payable July 15, 1973 to shareholders of record June 28th, and the second will be paid January 15, 1974 to shareholders of record December 28th, 1973.

Mr. Charles A. Cadieux has agreed to serve as a member of our Board of Directors. Mr. Cadieux is General Manager of Woolco Department Stores and a Director of the F. W. Woolworth Company Limited. Mr. Cadieux's wide experience in retail merchandising will add strength to our Board of Directors and will be of great benefit to the Company.

We take great pride in our close relationship with our employees, and we appreciate their continued goodwill, cooperation and loyalty. Our Staff which is young and aggressive has contributed greatly to the growth and strength of the Company.

Submitted on behalf of the Board of Directors.

Yours truly,

A handwritten signature in cursive ink that appears to read "M. Blidner".

M. Blidner,
President.

April 16, 1973

Consolidated balance sheet

AS AT DECEMBER 31, 1972
(With comparative figures as at
December 31, 1971)

| ASSETS | 1972 | 1971 |
|--|--------------------|--------------------|
| Current Assets | | |
| Cash | \$ 175,159 | \$ 368,042 |
| Marketable securities, at cost (quoted market value – 1972 – \$63,700; 1971 – \$46,800) | 74,444 | 63,132 |
| Accounts receivable | 2,770,496 | 1,956,921 |
| Merchandise inventory, at lower of cost or net realizable value | 6,108,898 | 4,352,194 |
| Income taxes recoverable | 3,407 | — |
| Prepaid expenses | 67,626 | 37,678 |
| | 9,200,030 | 6,777,967 |
| Fixed Assets , at cost | | |
| Plant and equipment | 398,318 | 362,044 |
| Mobile equipment | 396,352 | 355,385 |
| Leasehold improvements | 75,167 | 46,993 |
| | 869,837 | 764,422 |
| <i>Less: Accumulated depreciation and amortization</i> | 505,031 | 448,876 |
| | 364,806 | 315,546 |
| Other Assets , at cost | | |
| Goodwill (Note 2) | 171,000 | 171,000 |
| | \$9,735,836 | \$7,264,513 |

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors:

M. BLIDNER, *Director*

J. AUSTIN, *Director*

To be read in conjunction with the Auditors' Report attached hereto dated March 8, 1973.

Dominion Citrus & Drugs Ltd.
and subsidiary companies

| LIABILITIES AND SHAREHOLDERS' EQUITY | 1972 | 1971 |
|--|--------------------|--------------------|
| Current Liabilities | | |
| Bank indebtedness, secured by marketable securities and a general assignment of book debts | \$ 81,454 | \$ 131,000 |
| Accounts payable | 6,433,626 | 4,275,608 |
| Dividends payable | 102,712 | — |
| Income taxes payable | — | 120,735 |
| Loan payable – 9% (Note 3) | — | 156,000 |
| | 6,617,792 | 4,683,343 |
| Minority Interest in Consolidated Subsidiary Company | 121,699 | 116,419 |
| Total Liabilities | 6,739,491 | 4,799,762 |
| Shareholders' Equity | | |
| Capital (Note 6) | | |
| Authorized | | |
| 1,500,000 shares without par value | | |
| Issued and Fully Paid | | |
| 873,050 shares (1971 – 863,820 shares) | 212,920 | 168,625 |
| Retained Earnings | 2,783,425 | 2,296,126 |
| | 2,996,345 | 2,464,751 |
| | \$9,735,836 | \$7,264,513 |

Consolidated statement of earnings and retained earnings

FOR THE YEAR ENDED DECEMBER 31, 1972
(With comparative figures for the year ended
December 31, 1971)

| | 1972 | 1971 |
|---|---------------------|---------------------|
| Sales | \$37,910,035 | \$30,230,100 |
| Earnings Before the Following Items | \$ 1,428,018 | \$ 1,352,825 |
| Depreciation and amortization (Note 7) | 99,718 | 82,115 |
| Interest on long-term debt | — | 14,040 |
| | 99,718 | 96,155 |
| Earnings Before Income Taxes | 1,328,300 | 1,256,670 |
| Income taxes | 628,142 | 641,870 |
| Earnings Before Minority Interest | 700,158 | 614,800 |
| Minority interest in net earnings of subsidiary company | 8,134 | 5,707 |
| Net Earnings for Year | 692,024 | 609,093 |
| Retained Earnings – beginning of year | 2,296,126 | 1,687,033 |
| | 2,988,150 | 2,296,126 |
| Dividends (Note 10) | 204,725 | — |
| Retained Earnings – end of year | \$ 2,783,425 | \$ 2,296,126 |
| Earnings per Share (Note 9) | 79.6¢ | 70.9¢ |
| Average Number of Shares Outstanding | 869,037 | 859,500 |

The accompanying notes form an integral part of these financial statements.

Consolidated statement of source and application of funds

FOR THE YEAR ENDED DECEMBER 31, 1972
(With comparative figures for the year ended
December 31, 1971)

| Source of Funds | 1972 | 1971 |
|--|---------------------|---------------------|
| Net earnings for year | \$ 692,024 | \$ 609,093 |
| Add: Depreciation and amortization (Note 7) | 99,718 | 82,115 |
| | <u>791,742</u> | <u>691,208</u> |
| Exercise of employees' stock options (Note 6) | 44,295 | 33,355 |
| Minority interest in consolidated subsidiary company | 5,280 | 116,419 |
| | <u>841,317</u> | <u>840,982</u> |
| Application of Funds | | |
| Dividends (Note 10) | 204,725 | — |
| Purchase of fixed assets | 148,978 | 110,871 |
| Decrease in long-term debt | — | 156,000 |
| Purchase of goodwill (Note 2) | — | 171,000 |
| | <u>353,703</u> | <u>437,871</u> |
| Increase in Working Capital | 487,614 | 403,111 |
| Working Capital – beginning of year | 2,094,624 | 1,691,513 |
| Working Capital – end of year | \$ 2,582,238 | \$ 2,094,624 |

The accompanying notes form an integral part of these financial statements.

Auditors' report

To the Shareholders of
Dominion Citrus & Drugs Ltd.

We have examined the consolidated balance sheet of Dominion Citrus & Drugs Ltd. and its subsidiary companies as at December 31, 1972 and the consolidated statements of earnings and retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1972 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Starkman, Kraft, Rothman, Berger & Grill
Chartered Accountants

Toronto, Ontario
March 8, 1973

Notes to consolidated financial statements

DECEMBER 31, 1972

1. Principles of Consolidation

The consolidated financial statements include the accounts of:

PRODUCE DIVISION

Dominion Citrus & Drugs Ltd.
Dominion Farm Produce Limited
Skrow's Produce (1971) Ltd.

DRUG DIVISION

Jack Austin Drugs Limited
Fern Distributors (Division of Jack Austin Drugs Limited)
Jack Austin Pharmacy (Alberta) Limited
Jack Austin Pharmacy (Saskatchewan) Limited
Cumberland Drugs Limited

As of December 31, 1972, the drug division operated 49 outlets in Woolco Department Stores and 7 outlets in Woolworth Department Stores. In addition to the above, the drug division also serviced 1 outlet in a Woolworth Department Store.

2. Goodwill

Goodwill is comprised as follows:

| | |
|---|-----------|
| Goodwill of Skrow's Produce (1971) Ltd. | \$165,000 |
| Excess of cost of investment in Cumberland Drugs Limited over book value of net assets acquired | 6,000 |
| | <hr/> |
| | \$171,000 |

3. Loan Payable

The loan payable previously shown as long-term debt in the December 31, 1971

balance sheet has been reclassified as a current liability to reflect the full repayment of the loan in 1972.

4. Commitments

- (a) The Company has contracted to lease its warehouse and office premises in the Ontario Food Terminal Building for a period of 30 years ending June 30, 1984 at an annual rental of \$13,650. The Company has the option to renew this lease for additional 30-year terms at a nominal rental of \$1.00 per annum plus 1% of the operating and maintenance expenses of the building. The Company may terminate the lease or subsequent renewal at the expiration of either 10 or 20 years.
- (b) Effective September 1, 1971, the Company acquired 100% of the voting and 50% of the participating shares of Skrow's Produce (1971) Ltd., a produce distributor. The transaction was accounted for as a purchase. The Company has agreed to purchase the remaining 50% of the participating shares from the minority shareholders by December 31, 1978 at a price determined by a predescribed formula based upon the earnings of Skrow's Produce (1971) Ltd.
- (c) Under license agreements expiring in 1976 and 1982, the minimum total annual rentals payable by Jack Austin Drugs Limited amounts to approximately \$2,205,000 including certain occupancy costs but exclusive of additional rent payable based on a percentage of gross sales.

Dominion Citrus & Drugs Ltd.
and subsidiary companies

(d) Under a lease expiring in 1988, the minimum annual rental payable by Fern Distributors for head office and warehouse facilities amounts to \$24,400 excluding certain occupancy costs.

(e) Subsequent events include the opening of new drug stores which are in the normal course of business. It is management policy to write off the cost of new store openings in the year incurred.

6. Employees' Stock Option Plan

| | <u>Outstanding January 1, 1972</u> | <u>Granted During Year</u> | <u>Exercised During Year</u> | <u>Terminations During Year</u> | <u>Outstanding December 31, 1972</u> |
|---------------------------------|--|--------------------------------|----------------------------------|-------------------------------------|--|
| \$ 4.50 per share expiring 1973 | 10,100 | | 7,850 | (1,525) | 725 |
| \$ 6.50 per share expiring 1976 | 12,880 | | 1,380 | (2,680) | 8,820 |
| \$ 8.50 per share expiring 1977 | | 2,500 | | | 2,500 |
| \$ 9.80 per share expiring 1977 | | 2,000 | | | 2,000 |
| \$10.80 per share expiring 1977 | | 500 | | | 500 |
| Reserved for future grants | 5,700 | (5,000) | | 4,205 | 4,905 |

7. Depreciation and Amortization

Depreciation and amortization have been computed in accordance with the maximum capital cost allowance rates allowed by the Income Tax Act.

8. Directors' and Senior Officers' Remuneration

Total remuneration paid or payable during the year to directors and senior officers as defined by The Business Corporations Act, 1970 (Ontario) amounted to \$231,858 (1971 - \$228,392).

9. Fully Diluted Earnings per Share

Adjusting for employees' stock options has no material effect on the earnings per share figures.

5. Contingent Liabilities

The Company is contingently liable for:

(a) Railway Guarantee Bonds in the amount of \$96,000.

(b) Guarantees of leases of other companies expiring from 1981 to 1983 at total annual rentals of approximately \$40,500 excluding certain occupancy costs.

10. Dividends

During the year ended December 31, 1972, the Company paid tax free dividends to its shareholders pursuant to Subsections 196 (1) and 83 (1) of the Income Tax Act. The total distribution amounted to \$204,725 of which \$30,520 represented taxes paid and \$174,205 represented the tax free dividends to shareholders.

11. Change of Fiscal Year-end

The Companies have changed their fiscal year-ends from December 31 to January 31 commencing January 31, 1973. The change was made in order to conform with a similar change in fiscal year-end by Woolco and Woolworth Department Stores.

Financial record

| | 1972 | | | 1971 | | | Product Division |
|---|---------------------|------------------|--------------|---------------------|------------------|--------------|---------------------|
| | Produce Division | Drug Division | Consolidated | Produce Division | Drug Division | Consolidated | |
| SALES | \$16,114,308 | \$21,795,727 | \$37,910,035 | \$13,921,907 | \$16,308,193 | \$30,230,100 | \$12,500, |
| EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST | \$ 701,987 | \$ 626,313 | \$ 1,328,300 | \$ 628,488 | \$ 628,182 | \$ 1,256,670 | \$ 480, |
| Income taxes (Note 2) and minority interest | 349,365 | 286,911 | 636,276 | 324,771 | 322,806 | 647,577 | 250, |
| NET EARNINGS | \$ 352,622 | \$ 339,402 | \$ 692,024 | \$ 303,717 | \$ 305,376 | \$ 609,093 | \$ 229, |
| NUMBER OF OUTLETS (Note 4) | 57 | | | 47 | | | |
| OPERATED | | | | | | | |
| —Woolco Department Stores | 49 | | | 40 | | | |
| —Woolworth Department Stores | 7 | | | 1 | | | |
| SERVICED | | | | | | | |
| —Woolworth Department Stores | 1 | | | 6 | | | |
| EARNINGS PER SHARE (Note 3) | 79.6¢ | | | 70.9¢ | | | |

Note 1:

The years 1967 and 1968 combine the following accounts:

| | Produce Division | Drug Division |
|-----------|---|---|
| 1968 | 8 months ended January 2, 1969 | 12 months ended December 31, 1968 (pro forma) |
| 1968-1967 | 4 months ended April 30, 1968 (pro forma) | 12 months ended December 31, 1967 (pro forma) |

Note 2:

Income taxes for the years 1967 and 1968 have been restated from amounts previously reported to treat the divisions as if they were associated under the Income Tax Act.

Note 3:

Earnings per share for the years 1967 and 1968 are based on 850,000 shares outstanding. At December 31, 1972, 873,050 shares and options to purchase 14,545 shares were outstanding.

Note 4:

The sales for the Drug Division do not include the sales of the outlets serviced for Woolworth Department Stores. During 1972, five of the serviced outlets were transferred to the Drug Divisions operations. The Companies have changed their fiscal year-ends from December 31 to January 31, commencing January 31, 1973.

Note 5:

For the month of January, 1973 the consolidated sales were \$3,241,031 and consolidated net earnings were \$41,613 (4.8¢ per share). Results for the month of January are not necessarily representative of results for an entire year. Comparative figures for the month of January, 1972 are not available.

| | | 1969 | | | 1968 (Note 1) | | | 1968-1967 (Note 1) | | |
|------------|---------------|---------------------|------------------|---------------|---------------------|------------------|---------------|---------------------|------------------|---------------|
| ug sion | Consolidated | Produce Division | Drug Division | Consolidated | Produce Division | Drug Division | Combined | Produce Division | Drug Division | Combined |
| 3,817 | \$ 26,554,061 | \$ 12,974,203 | \$ 11,203,213 | \$ 24,177,416 | \$ 11,832,038 | \$ 8,401,266 | \$ 20,233,304 | \$ 11,147,471 | \$ 6,140,399 | \$ 17,287,870 |
| 1,250 | \$ 1,011,709 | \$ 478,420 | \$ 434,635 | \$ 913,055 | \$ 464,516 | \$ 284,785 | \$ 749,301 | \$ 413,202 | \$ 233,470 | \$ 646,672 |
| 8,965 | 529,804 | 242,389 | 226,690 | 469,079 | 223,114 | 148,273 | 371,387 | 195,844 | 117,344 | 313,188 |
| 2,285 | \$ 481,905 | \$ 236,031 | \$ 207,945 | \$ 443,976 | \$ 241,402 | \$ 136,512 | \$ 377,914 | \$ 217,358 | \$ 116,126 | \$ 333,484 |
| | | 26 | | | 22 | | | | 18 | |
| | | 56.3¢ | | 51.9¢ | | | | | | 39.2¢ |

Consolidated balance sheet

AS AT JANUARY 31, 1973

ASSETS

Current Assets

| | |
|---|--------------------|
| Cash | \$ 33,429 |
| Marketable securities, at cost (quoted market value – \$65,800) | 74,444 |
| Accounts receivable | 2,261,684 |
| Merchandise inventory, at lower of cost or net realizable value | 6,367,120 |
| Income taxes recoverable | 25,411 |
| Prepaid expenses | <u>61,811</u> |
| | \$8,823,899 |

Fixed Assets, at cost

| | |
|--|------------------|
| Land | 29,842 |
| Building | 96,775 |
| Plant and equipment | 398,762 |
| Mobile equipment | 415,261 |
| Leasehold improvements | <u>75,167</u> |
| | 1,015,807 |
| <i>Less:</i> Accumulated depreciation and amortization | <u>462,353</u> |
| | 553,454 |

Other Assets, at cost

| | |
|-------------------|---------------------------|
| Goodwill (Note 2) | <u>171,000</u> |
| | <u>\$9,548,353</u> |

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors:

M. BLIDNER, *Director*

J. AUSTIN, *Director*

To be read in conjunction with the Auditors' Report attached hereto dated March 8, 1973.

Dominion Citrus & Drugs Ltd.
and subsidiary companies

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

| | |
|--|------------------|
| Bank indebtedness, secured by marketable securities and a general assignment of book debts | \$1,421,887 |
| Accounts payable | <u>4,966,547</u> |
| Minority Interest in Consolidated Subsidiary Company | 121,961 |
| Total Liabilities | 6,510,395 |

Shareholders' Equity

Capital (Note 5)

Authorized

1,500,000 shares without par value

Issued and Fully Paid

873,050 shares

212,920

Retained Earnings

2,825,038

3,037,958

\$9,548,353

Consolidated statement of earnings and retained earnings

FOR THE ONE MONTH PERIOD ENDED
JANUARY 31, 1973

| | |
|---|-------------|
| Sales | \$3,241,031 |
| Earnings Before the Following Items | |
| Depreciation and amortization (Note 6) | \$ 94,061 |
| Earnings Before Income Taxes | 8,372 |
| Income taxes | 85,689 |
| Earnings Before Minority Interest | 43,814 |
| Minority interest in net earnings of subsidiary company | 41,875 |
| Net Earnings for Period | 262 |
| Retained Earnings – beginning of period | 41,613 |
| Retained Earnings – end of period | 2,783,425 |
| Earnings per Share (Note 8) | \$2,825,038 |
| Average Number of Shares Outstanding | 4.8¢ |
| | 873,050 |

The accompanying notes form an integral part of these financial statements.

Consolidated statement of source and application of funds

**FOR THE ONE MONTH PERIOD ENDED
JANUARY 31, 1973**

Source of Funds

| | |
|--|-----------|
| Net earnings for period | \$ 41,613 |
| <i>Add:</i> Depreciation and amortization (Note 6) | 8,372 |
| | <hr/> |
| | 49,985 |
| Minority interest in consolidated subsidiary company | 262 |
| | <hr/> |
| | 50,247 |

Application of Funds

| | |
|--|---------------------------------|
| Purchase of fixed assets | <hr/> 197,020 |
| Decrease in Working Capital | <hr/> 146,773 |
| Working Capital – beginning of period | <hr/> 2,582,238 |
| Working Capital – end of period | <hr/> <u><u>\$2,435,465</u></u> |

The accompanying notes form an integral part of these financial statements.

Auditors' report

To the Shareholders of
Dominion Citrus & Drugs Ltd.

We have examined the consolidated balance sheet of Dominion Citrus & Drugs Ltd. and its subsidiary companies as at January 31, 1973 and the consolidated statements of earnings and retained earnings and source and application of funds for the one month period then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at January 31, 1973 and the results of their operations and the source and application of their funds for the one month period then ended, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

*Starkman, Kraft, Rothman, Berger & Grill
Chartered Accountants*

Toronto, Ontario
March 8, 1973

Notes to consolidated financial statements

JANUARY 31, 1973

1. Principles of Consolidation

The consolidated financial statements include the accounts of:

PRODUCE DIVISION

Dominion Citrus & Drugs Ltd.
Dominion Farm Produce Limited
Skrow's Produce (1971) Ltd.

DRUG DIVISION

Jack Austin Drugs Limited
Fern Distributors (Division of Jack Austin Drugs Limited)
Jack Austin Pharmacy (Alberta) Limited
Jack Austin Pharmacy (Saskatchewan) Limited
Cumberland Drugs Limited

As of January 31, 1973, the drug division operated 49 outlets in Woolco Department Stores and 7 outlets in Woolworth Department Stores. In addition to the above, the drug division also serviced 1 outlet in a Woolworth Department Store.

2. Goodwill

Goodwill is comprised as follows:

| | |
|---|-----------|
| Goodwill of Skrow's Produce (1971) Ltd. | \$165,000 |
| Excess of cost of investment in Cumberland Drugs Limited over book value of net assets acquired | 6,000 |
| | <hr/> |
| | \$171,000 |

3. Commitments

(a) The Company has contracted to lease its warehouse and office premises in the

Ontario Food Terminal Building for a period of 30 years ending June 30, 1984 at an annual rental of \$13,650. The Company has the option to renew this lease for additional 30-year terms at a nominal rental of \$1.00 per annum plus 1% of the operating and maintenance expenses of the building. The Company may terminate the lease or subsequent renewal at the expiration of either 10 or 20 years.

(b) Effective September 1, 1971, the Company acquired 100% of the voting and 50% of the participating shares of Skrow's Produce (1971) Ltd., a produce distributor. The transaction was accounted for as a purchase. The Company has agreed to purchase the remaining 50% of the participating shares from the minority shareholders by December 31, 1978 at a price determined by a pre-described formula based upon the earnings of Skrow's Produce (1971) Ltd.

(c) Under license agreements expiring in 1976 and 1982, the minimum total annual rentals payable by Jack Austin Drugs Limited amounts to approximately \$2,205,000 including certain occupancy costs but exclusive of additional rent payable based on a percentage of gross sales.

(d) Under a lease expiring in 1988, the minimum annual rental payable by Fern Distributors for head office and warehouse facilities amounts to \$24,400 excluding certain occupancy costs.

(e) Subsequent events include the opening of new drug stores which are in the normal course of business. It is management policy to write off the cost of new store openings in the year incurred.

**Dominion Citrus & Drugs Ltd.
and subsidiary companies**

4. Contingent Liabilities

The Company is contingently liable for:

- (a) Railway Guarantee Bonds in the amount of \$96,000.
- (b) Guarantees of leases of other companies expiring from 1981 to 1983 at total annual rentals of approximately \$40,500 excluding certain occupancy costs.

5. Employees' Stock Option Plan

| | Outstanding January 1, 1973 and January 31, 1973 |
|------------------------------------|--|
| \$4.50 per share expiring 1973 | 725 |
| \$6.50 per share expiring 1976 | 8,820 |
| \$8.50 per share expiring 1977 | 2,500 |
| \$9.80 per share expiring 1977 | 2,000 |
| \$10.80 per share expiring 1977 | 500 |
| Reserved for future grants | 4,905 |

6. Depreciation and Amortization

Depreciation and amortization have been computed in accordance with the maximum capital cost allowance rates allowed by the Income Tax Act.

**7. Directors' and Senior Officers'
Remuneration**

Total remuneration paid or payable during the period to directors and senior officers as defined by The Business Corporations Act, 1970 (Ontario) amounted to \$19,508.

8. Fully Diluted Earnings per Share

Adjusting for employees' stock options has no material effect on the earnings per share figures.

9. Change of Fiscal Year-end

The companies have changed their fiscal year-ends from December 31 to January 31 commencing January 31, 1973. Accordingly, comparative figures for the one month period ended January 31, 1972 are not presented.

ASK ABOUT
OUR...



An interior view of the drug department in the Woolco and Woolworth Department Stores operated by Jack Austin Drugs Limited.



R Prescriptions



CHECKOUTS

ENTRANCE TO MALL



**Dominion Citrus & Drugs Ltd.
and subsidiary companies**

**ONTARIO STORES
(WOOLCO)**

St. George Road and Highway 24,
Brantford, Ontario.

Hamilton Mountain Shopping Centre,
Upper James and Fennell Streets,
Hamilton, Ontario.

New Sudbury Shopping Centre,
Barrydowne and LaSalles Boulevard,
Sudbury, Ontario.

Gateway Shopping Plaza,
Dougall Road,
Windsor 22, Ontario.

345 Queen Street East,
Sault Ste. Marie, Ontario.

Argyle Shopping Mall,
1925 Dundas Street East,
London, Ontario.

Agincourt Shopping Mall,
3850 Sheppard Avenue, East,
Agincourt, Ontario.

2295 Sheppard Avenue West,
Weston, Ontario.

Fairview Park Shopping Centre,
Kitchener, Ontario.

Frontenac Mall Shopping Centre,
R.R. #7, Kingston, Ontario.

1950 Lauzon Road,
Windsor 17, Ontario.

Brookdale Avenue and 7th Street,
Cornwall, Ontario.

Lincoln Mall Shopping Centre,
549 Welland Avenue,
St. Catharines, Ontario.

Crossroads Shopping Centre,
Highway # 2 and Thickson Road,
Whitby, Ontario.

Lambton Mall Shopping Centre,
London Road,
Sarnia Township, Ontario.

North Park Shopping Centre,
1305 Lawrence Avenue West
Toronto 15, Ontario.

Oakridge Mall,
1201 Oxford Street West,
London, Ontario.

White Oaks Mall,
1105 Wellington Road South,
London, Ontario.

Grey County Mall Shopping Centre,
Highway # 21,
Owen Sound, Ontario.

Lincoln Fields Shopping Centre,
1350 Richmond Road,
Ottawa, Ontario.

Eastgate Mall,
75 Centennial Parkway,
Stoney Creek, Ontario.

**ONTARIO STORES
(WOOLWORTH)**

25 – 1st Street,
Collingwood, Ontario.

80 – 96 Main Street,
Galt, Ontario.

Mississauga and Andrew Streets,
Orillia, Ontario.

56 – 76 Bayfield Street,
Barrie, Ontario.

173 – 81 Colborne Street,
Brantford, Ontario.

180 Prince Street,
Pembroke, Ontario.

**QUEBEC STORES
(WOOLCO)**

Granby Plaza,
St. James and St. Charles Streets,
Granby, Quebec.

Taschereau Shopping Centre,
7200 Taschereau Boulevard,
Brossard, Quebec.

20 East Trans-Canada Road,
Levis, Quebec.

LeCavalier Shopping Centre,
8248 Champlain Boulevard,
LaSalle, Quebec.

Rock Forest Shopping Centre,
2000 Bourque Boulevard, R.R. # 1,
Rock Forest (Sherbrooke), Quebec.

1660 LeCorbusier Boulevard,
Laval (Montreal), Quebec.

Kirkland Plaza,
17101 Ste. Mary's Road,
Kirkland, Quebec.

Centre Langelier,
7445 Langelier Boulevard,
St. Leonard, Quebec.

Centre St. Anne,
2960 Boulevard, Ste. Anne,
Giffard, 51, Quebec.

Centre De'Achats Centreville,
1999 Rolland Therrien Boulevard,
Longueuil (Met.), Quebec.

Trois Rivières Shopping Centre,
Royal Boulevard and Laurentian Streets,
Trois Rivières, Quebec.

LeGalerie Du Cap and Barkoff Street,
Cap-de-la Madeleine, Quebec.

Tracy Plaza,
De La Marie Boulevard, The Autoroute,
Tracy, Quebec.

Les Galaries Drummond,
365 St. Joseph Boulevard & Marier Street,
Drummondville, Quebec.

Centre Valleyfield,
30 Dufferin Road,
Valleyfield, Quebec.

**SASKATCHEWAN STORES
(WOOLCO)**

353 North Albert Street,
Regina, Saskatchewan.

South Hill Shoppers Mall,
2995-2nd Avenue West,
Prince Albert, Saskatchewan.

**MANITOBA STORES
(WOOLCO)**

Crossroads Shopping Centre,
1580 Regent Avenue West,
Transcona 25, Manitoba.

Grant Park Plaza,
1080 Grant Avenue,
Winnipeg 9, Manitoba.

Brandon Shoppers Mall,
1440 – 18th Street,
Brandon, Manitoba.

**MANITOBA STORE
(WOOLWORTH)**

City Centre Mall,
Mystery Lake Road and Thompson Drive,
Thompson, Manitoba.

**ALBERTA STORES
(WOOLCO)**

37th Street and 12th Avenue, S.W.,
Calgary, Alberta.

1 Capilano Shopping Mall,
98th Avenue and Terrace Road,
Edmonton, Alberta.

MacLeod Mall Shopping Centre,
9650 MacLeod Trail,
Calgary, Alberta.

Parkland Mall Shopping Centre,
6375 – 50th Avenue,
Red Deer, Alberta.

Centennial Village Shopping Centre,
170th Street and Stony Plain Road,
Edmonton, Alberta.

College Mall Shopping Centre,
Mayor Magrath Drive and 20th Avenue,
Lethbridge, Alberta.

Marlborough Mall,
3835 Memorial Drive N.E.,
Calgary, Alberta.

Northland Village Shopping Centre,
5111 – 37th Street N.W.,
Calgary 48, Alberta.

Londonderry Mall,
137th Avenue & 66th Street,
Edmonton, Alberta.

**ALBERTA STORE
(WOOLWORTH)**

450-3rd Street, S.E.,
Medicine Hat, Alberta.

